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**USTR Zoellick Meets With Central American Trade Ministers to Advance  
Conclusion of CAFTA Negotiations in December**

MIAMI – On the margins of the Free Trade Area of the Americas (FTAA) meeting here, U.S. Trade Representative Robert B. Zoellick met with five Central American trade ministers today to advance the final round of negotiations for the U.S.-Central America Free Trade Agreement (CAFTA) in December in Washington, DC.

“We are getting close to finishing the U.S.-Central American Free Trade Area, an historic agreement which will open markets and expand opportunities for all of our peoples. Like our other free trade agreements, CAFTA is an ambitious and cutting edge agreement that keeps pace with the modern, globalized economy. We aim to finish this around December, so as to be able to enact it next year,” said Zoellick, who visited Central America last month. “The United States and these Central American nations share similar ambitious goals in the ongoing FTAA negotiations, and the CAFTA agreement adds momentum for hemispheric free trade. The CAFTA will be a vote of confidence in our Central American partners and friends,” Zoellick said.

The ministers discussed outstanding issues that negotiators must resolve in order to conclude the negotiations next month. Their last meeting took place October 2 in San Salvador.

The United States and Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua began negotiations in January 2003 and have held eight rounds of talks, one in each Central American country, as well as in Cincinnati, New Orleans, and Houston. Individual negotiating groups are meeting between rounds to pave the way for a final agreement. Chief negotiators met for two days last week in Washington, DC, where the ninth and final round is scheduled to begin December 8.

**Background:**

The United States and the five Central American countries share almost \$25 billion in total (two-way) trade in goods. U.S. goods exports to the Central Americans are on track to reach \$11.5 billion in 2003, better than a 42 percent increase since 1996. That total is about the same as U.S. exports to Russia, India, and Indonesia combined. The United States is expected to import \$13 billion of goods from Central America in 2003, of which 74 percent enter duty free under the Caribbean Basin Initiative and Generalized System of Preference programs. CAFTA will further open the Central American market to U.S. goods and services.

The United States is pursuing the CAFTA agreement to help increase trade, overcome poverty, foster development, and strengthen democracy. The disciplines being negotiated in CAFTA are intended to promote the rule of law, especially through its provisions for transparency that help counter corruption and create greater business certainty. Establishing free trade between the United States and the countries of Central America through CAFTA is an important part of the President's vision for a closer, more united, more prosperous and strongly democratic Hemisphere. The Administration plans to broaden CAFTA next year to include the Dominican Republic.

CAFTA will also advance free trade in the Hemisphere by further expanding a growing core of pro-free trade countries that includes our FTA partners Canada, Mexico and Chile. The FTAA could foster integration in the Western Hemisphere, leading to a \$13 trillion economy with 800 million people. By making progress with our Central American partners on CAFTA, the Administration hopes to provide momentum to trade liberalization efforts in the rest of the Hemisphere.

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